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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 003048

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SUBJECT: BOUCHER AND INDIAN OFFICIALS AGREE ON NEPAL

Classified By: Ambassador David Mulford for Reasons 1.4(B, D)

11. (C) Summary: Having just returned from Kathmandu, Assistant Secretary Boucher related to MEA Joint Secretaries Pankaj Saran (Nepal) and S. Jaishankar (Americas) that the political parties intended to show progress. The U.S. would wait for the civilian government to issue a formal request for military assistance, while an economic and political team would visit Nepal within the next two weeks. Saran agreed with Boucher's observations, adding that the GOI wished to give the new government time to organize itself before processing a "substantial" assistance package. He suggested that the Nepali Government may opt to have an outside entity verify the demobilization of the Maoists. Saran emphasized that the Maoists' renunciation of violence and acceptance of democratic politics was a "non-negotiable" demand. Boucher highlighted the potential difficulties of working with the civilian government on military issues when Prime Minister Koirala also holds the Defense portfolio. End Summary.

Civilian Politics Messy But Improving, Boucher Observes

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12. (C) In a May 3 meeting with MEA Joint Secretaries S. Jaishankar (Americas) and Pankaj Saran (Nepal and Bhutan), Assistant Secretary Richard Boucher related his impressions from his May 1-3 visit to Kathmandu. First, Boucher reported that Prime Minister G.P. Koirala was in "decent health, but frail." Second, he related that the political leaders are "determined to take action," and feel like they should amend the Constitution, allow for constituent assembly and rename the army to respond to their constituents. "They want to show progress," Boucher said, adding that they will announce a ceasefire and issue an invitation to the Maoists to engage in negotiations very soon.

13. (C) The political leaders also plan on waiting for elections until after the Maoists disarm, Boucher stated. He expected that the ceasefire and demobilization, as well as

the setting up of government institutions, will require a "year or two" before they can hold elections. While people have complained that the political parties have already started "bickering," Boucher professed that that is like "asking politicians not to be politicians." He described the King as "quiet and humbled," but wondered how long that attitude would last.

14. (C) Although they distrust the army, the political leaders do not want to disrespect the Army, and they will put the Army under civilian control, Boucher asserted. In the meantime, the U.S. would wait to provide training, ammunition and supplies until it receives a request from the civilian authority. Boucher reiterated that "civilians don't want to do anything against the army now." The U.S. would also provide economic and political assistance, and planned to send an assistance team to Kathmandu within the next two weeks. Concluding his observations, Boucher saw the Maoists as the biggest factor in whether the political situation would break down again. "It's important that you and we exert maximum pressure on the Maoists to disarm -- anything to choke off their supplies," he stressed.

India on the "Same Wavelength"

15. (C) Saran endorsed Boucher's impressions, remarking that "we seem to be on the same wavelength." He related that the GOI has encouraged the political leaders to take their own initiative, and not define their actions by looking to the King. "The actions we've seen indicate that they have the inner strength to set up a government that behaves as an executive power," he believed. The forthcoming ceasefire

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declaration and talks with the Maoists illustrates that view, he said.

16. (C) Regarding assistance, the GOI had initially considered offering an economic assistance package, but held off because "it wasn't appropriate right now." Instead, Saran explained, the Indians would wait for the new government to send requirements to which they will respond. This "sizable" package will help Nepal address illiquidity and revenue shortfall, among other matters. Saran also endorsed Boucher's stance on military assistance, confirming that they would also wait for the new government to issue any weapons and training requests.

17. (C) Turning to the Maoists, which he called "the most difficult issue for the new government," Saran stressed that the GOI wanted to see a "durable" solution, and waited to see the steps that the political leaders would take. While the understandings and statements of intent were a promising start, Saran observed that "so much lies between these and a peace agreement." The GOI considered renunciation of violence and commitment to a multi-party democracy as "non-negotiable" in their transition from insurgents to democratic party. Saran noted that while the Nepalese government is best positioned to demobilize the Maoists, the political leaders may ask for an "external entity" to help verify the disarmament and ceasefire. India would consider such a request positively, Saran asserted, noting that the call for international supervision was included in the parties' 12-point agreement with the Maoists.

But Nepal Is Still Tenuous

18. (C) Boucher pointed out two potential problems that he felt could impact Nepal's reconstruction. First, Koirala's position as both Prime Minister and Defense Minister, compounded by a lack of civilian interlocutors knowledgeable about military affairs, could complicate communicating about the army.

¶9. (C) Asked by Boucher if India would continue sending political envoys, Saran called Karan Singh a "one-off," adding that the GOI would revert to the "existing institutions" to communicate. He noted that the Prime Minister had invited Koirala to visit Delhi, but that his frail health impedes travel. Millard requested that the GOI make its redlines known to the Maoists. The GOI does not have direct face-to-face contacts with the Maoists, but they know the redlines through our public statements, Saran assured.

Comment: U.S. and India Still on Same Nepal Page  
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¶10. (C) The open and constructive exchange between Boucher and Saran illustrate the GOI's intention to continue working closely with the U.S. to help the Nepal situation. The frequent U.S.-India coordination has bolstered our ability to help rebuild Nepal's democracy and reconstruct its economy, while dealing with what will be a tricky Maoist drawdown. Continued transparency between both our governments continues will boost our joint efforts in Nepal.

¶11. (U) Ambassador Boucher has cleared this cable.

¶12. (U) Visit New Delhi's Classified Website:  
(<http://www.state.sgov.gov/p/sa/newdelhi/>)  
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